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World Grain Markets and Poultry Production

Feed is one of the major costs of growing poultry. In the U.S. feed costs represent about 70 to 75 percent of grow-out costs and is a major input cost around the world

FAO's forecast for world cereal production was revised downward to 1,865 million tons, about 48 million tons below the previous forecast and 33 million tons above last year's reduced level. Wheat production is expected to fall to its lowest level since 1995.

A widespread drought and heat wave in Central and Western Europe will result in a crop shortfall this year, especially for animal feed. The European Union is the world's second largest user of grain for feeding, after the United States. Poor corn crops in Europe will be partially offset by increased imports, especially from Latin America.

Canadian wheat is projected to reach 17.2 MT, compared 12 MT last year; oats are at four MT vs 2.8 MT a year ago. The Ukrainian wheat crop is expected to total 5 MT compared to 20 MT last year and Russia's wheat crop at 34 MT compared to 51 MT last year. Australia staged a major comeback with the wheat crop expected to be 24 MT compared to 9 MT last year.

Russia imposed import quotas on poultry meat this year to give local producers a competitive advantage. Russia's plans to expand poultry production could be difficult to attain with rising feed costs. Iran corn imports will be up 100,000 tons to 1.7 MT due to demand of the poultry sector.

Sources: USDA/ERS, USDA/FAS, Food and Agriculture Organization of the United Nations, various news wires

U.S. Exports: Chicken Paws and Feet in metric tons

	January-August				August
	2000	2001	2002	2003	2003
Hong Kong	118,944	176,228	91,888	100,347	13,782
China	11,401	11,305	7,146	30,669	6,241
Korea	167	273	0	4,474	924
Singapore	22	328	17	3,113	786
Greece	95	0	24	2,342	345
India	0	0	0	2,291	0
Taiwan	49	0	0	1,829	655
So. Africa	0	142	0	1,400	666
Russia	23	142	100	1,315	692
World	132,193	189,917	99,434	157,077	25,965

HS 207140045

Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

Grain Supply and Demand: Wheat and Coarse Grains Market Years 2000/01 and 2003/04 million metric tons

Country	Production		Export		Domestic Feed Use	
	00/01	03/04	00/01	03/04	00/01	03/04
EU	212.1	184.8	23.3	14.0	123.7	122.8
China	213.6	208.3	7.9	9.8	103.4	101.1
Russia	62.7	67.2	1.7	5.9	27.1	32.9
Ukraine	23.2	19.3	1.5	1.9	9.3	11.6
East Europe	65.9	64.3	3.8	3.1	40.9	44.1
U.S.A.	333.9	341.4	83.4	80.0	-	-
World	1441.4	1431.1	-	-	690.9	698.1

Source: USDA Official Estimates

Selected Countries: Broiler Situation

Country	Production		Export	
	2000	2003(P)	2002	2003(P)
EU	6,654	5,700	762	700
China	9,269	9,844	464	420
Brazil	5,980	7,560	893	1,723
Mexico	1,936	2,297	-	-
India	1,080	1,600	-	-
Thailand	1,070	1,290	328	500
U.S.A.	13,703	14,610	2,231	2,230

Source: USDA/FAS

Poland's Turkey Situation

(1,000 tons; ready to cook equivalent)

	2001	2002	2003 (p)	2004 (f)
Production	150	165	170	175
Imports	16	17	15	15
Exports	12	15	13	13

Poland's turkey production in 2004 is forecast at 175,000 tons, an increase of 3 percent over the 2003 estimate. Consumer preference for turkey meat stimulates demand in the domestic market. In 2002, U.S. turkey exports to Poland, largely turkey cuts (legs), were valued at \$2.1 million.

Hungary's Turkey Situation

(1,000 tons; ready to cook equivalent)

	2001	2002	2003 (p)	2004 (f)
Production	84	88	90	93
Imports	9	7	5	5
Exports	27	27	32	34

Hungary's turkey production for 2004 is forecast at 93,000 tons, up 3 percent from the 2003 estimate. Increased production in Hungary is expected to be exported s domestic consumption of turkey meat is stagnant. In 2002, nearly 71 percent of Hungary's turkey exports were destined to the EU, supplying 25 percent of the EU's turkey imports.

Source: USDA/FAS

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending October 18, 2003	Year-To-Date			
	2003	2002/1	2003	2002
Liquid	311	553	13,836	16,640
Frozen	0	0	96	21
Dried	0	0	438	754
Total	311	553	14,370	17,415

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending October 18, 2003	Year-To-Date			
	2003	2002/1	2003	2002
Liquid	121	70	4,902	5,276
Frozen	91	5	3,033	2,932
Dried	80	120	1,104	4,414
Total	292	195	9,039	12,622

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending October 18, 2003	Year-To-Date			
	2003	2002 /1	2003	2002
Jumbo	17	0	387	1,307
Extra Large	1,790	2,275	25,532	34,920
Large	5,770	4,342	97,575	120,370
Medium	870	750	52,328	41,593
Ungraded	6,610	7,620	152,298	290,705
Misc	0	0	13,862	14,017
Total	15,057	14,987	341,982	502,912

Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

LIVE POULTRY SLTRD UNDER INSPECTION W/E 17-Oct-03

(PRELIMINARY)

U.S. FOWL SLAUGHTERED DOMESTICALLY

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,164	1,378	2,542
LAST WEEK	1,263	1,443	2,706
SAME WEEK YR AGO	1,822	1,603	3,425
TO-DATE/2003	61,480	58,923	120,403
TO-DATE/2002	73,819	59,223	133,042

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	92	0	92
LAST WEEK	141	0	141
SAME WEEK YR AGO	294	0	294
TO-DATE/2003	9,720	137	9,857
TO-DATE/2002	13,012	258	13,270

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
HEAD	1,256	1,378	2,634
LAST WEEK	1,404	1,443	2,847
SAME WEEK YR AGO	2,116	1,603	3,719
TO-DATE/2003	71,200	59,060	130,260
TO-DATE/2002	86,831	59,481	146,312

SOURCE: USDA/AMS PLTRY PROGRAMS, MARKET NEWS BR.

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

24-OCT-2003				
CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

PRICES				
VOLUME				
(Cents per Pound)				
FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	13.50-16.50	18.00	141,600	-
WTD AVERAGE	15.50	18.00		
15-20%				
RANGE	16.50-21.50	11.00-15.00	1,831,600	1,282,400
WTD AVERAGE	18.96	13.97		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

24-OCT-2003				
CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

PRICES				
VOLUME				
(Cents per Pound)				
FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	15.75-24.75	18.00	1,429,000	1,306,000
WTD AVERAGE	17.45	18.00		
15-20%				
RANGE	22.00-30.00	11.00-15.00	2,316,000	1,116,000
WTD AVERAGE	28.56	12.08		
20% OR MORE				
RANGE	-	11.00	41,000	-
WTD AVERAGE		11.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 24 OCTOBER 2003.

The undertone on tom drums was firm in the West with trading noted at higher trending price levels being delivered West from the Midwest for mostly prompt domestic shipments. Demand good on tom drums in the West, balance of country light to fair for current shipments. Offerings of tom drums ranged short to instances adequate for buyers' needs. The undertone on thigh meat was mostly steady with trading centered on frozen young hen thigh meat for domestic shipments. The trade sentiment on fresh tom breast meat was steady to instances weak and fresh destrapped tenderloins steady to barely steady. The undertone on frozen tom breast meat was fully steady for new production, steady at best for product +3 months age. The frozen destrapped tenderloin undertone was barely steady at best. Trading centered on a fair volume of Grade a 4-8 lb. breasts 89 cents transferred in storage, balance light. For domestic: fresh wing meat 66-71, fresh ground breast trim 86, plant grade non-basted 14-16 lb. breasts 93 cents delivered.

FRIDAY, OCTOBER 24, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	42.00		42.00	40	42.55	446
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		R	24.00	40	24.00	40
MECHANICALLY SEPARATED 2/		R	24.33	120	24.79	140
THIGH MEAT - FROZEN		R	94.00	200	93.46	636

THURSDAY, OCTOBER 23, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	41.00-43.00		42.43	282
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS	24.00		24.00	40
MECHANICALLY SEPARATED 2/	24.00-25.00		24.33	120
THIGH MEAT - FROZEN	91.00-96.00		94.00	200

WEDNESDAY, OCTOBER 22, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	43.00		43.00	104
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	23.67	120
MECHANICALLY SEPARATED 2/		T	27.50	20
THIGH MEAT - FROZEN	92.00-94.00		93.21	436

TUESDAY, OCTOBER 21, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	43.00		43.00	20
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	23.67	120
MECHANICALLY SEPARATED 2/	27.50		27.50	20
THIGH MEAT - FROZEN		F	92.00	200

MONDAY, OCTOBER 20, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	40.77	592
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	23.67	120
MECHANICALLY SEPARATED 2/		F	27.00	160
THIGH MEAT - FROZEN		F	92.00	200

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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